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October 28, 2004

In Re: Central Columbiana and Pennsylvania Railway, Inc.; Case No. 4:04-BK-16887
and

STB Docket No. AB-556 (Sub No. 2X), Railroad Ventures, Inc. – Abandonment
Exemption – Between Youngstown, OH, and Darlington, PA in Mahoning and
Columbiana Counties, OH and Beaver County, PA

Vernon A. Williams, Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

Mr. David Konschnik, Office of Proceedings
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

ENTERED
Office of Proceedings

NOV 4 2004

Mr. Richard Cox, Trustee
U.S. Bankruptcy Court
835 Central Avenue, Ste 510
Hot Springs, AK 71901

Mr. Jerry J. Jacobson, Chairman & CEO
Ohio Central Railroad System
47849 Papermill Road
Coshocton, OH 43812

Part of
Public Record

Mr. Tracy Drake, CEO
Columbiana County Port Authority
1250 St. George Street
East Liverpool, OH 43920

Central Columbiana and Pennsylvania Railway, Inc.
4416 S. Arkansas Avenue
Russleville, AK 72802

Dear Gentlemen:

In recent weeks Railroad Ventures, Inc. ("RVI") has been informed that the Columbiana County Port Authority is actively soliciting proposals from various parties to purchase its Youngstown-Darlington rail line and/or terminate or transfer to a third party its lease and operating agreement with Central Columbiana and Pennsylvania Railroad. (See Exhibit A)

The purpose of this letter is to put all parties on notice that pursuant to the provisions of 49 U.S.C. §10904(f)(4)(A):

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no purchaser of a line or portion of line sold under this section may transfer or discontinue service on such line prior to the end of the second year after consummation of the sale, nor may such purchaser transfer such line, except to the rail carrier from whom it was purchased, prior to the end of the fifth year after consummation of the sale. (Emphasis added)

The OFA transfer of the Youngstown to Darlington rail line from RVI to Columbiana County Port Authority occurred on January 24, 2001. However, RVI's Petition to Reopen the OFA proceeding to address improper valuation testimony submitted by Columbiana County Port Authority and issues regarding the improper diversion of escrow funds by the Columbiana County Port Authority and the Centrail Columbiana and Pennsylvania Railway are still pending before the Surface Transportation Board in STB Docket No. AB-556 (Sub No. 2X). Resolution of these matters may affect the consummation date of the OFA proceeding. Moreover, any option to purchase or other arrangement designed to evade Section 10904 would be void and illegal. United States v. Baltimore & O.R.R., 33 U.S. 169, 177-78 (1948) (Parties may not enter into agreements that abrogate rights and responsibilities under the statutory provisions of the Interstate Commerce Act). Such a transaction may also adversely affect the rights of parties and creditors in Columbiana and Pennsylvania Railway, Inc. bankruptcy proceeding.

Accordingly, any transfer of the Youngstown to Darlington rail line must address the rights and interests of all parties in the subject rail line.

Very truly yours,

VUONO & GRAY, LLC



Richard R. Wilson, Esq.
Attorney for Railroad Ventures, Inc.

RRW/bab

xc: Keith O'Brien, Esq.
Richard R. Streeter, Esq.
James E. Smith, Esq.
Railroad Ventures, Inc.

Business digest

REGION

Deadline nears for home workers

LIMA — Unionized work-jumpion Village nursing threatening to walk off at 7:30 a.m. Friday if they h a contract settlement ility of Mary Health Part- owns the center. 10 practical nurses, nurs-nts, housekeeping, laun-aintenance workers rep- Service Employees In-Union, District 1199, have eing without a contract three-year pact expired

Jackson, an SEIU 1, said the key issues are ith insurance and a pro-ange the way employees rsed for unused sick days ays off. Harris, vice president of care HMHP, said he is hat both sides will con-ork toward a fair con-

Programs

TOWN — The Small velopment Center at n State University is of-ograms to help busi-

ing, titled Business asics, will be offered . to noon Monday; from 8:30 p.m. Nov. 15; and . to noon Dec. 6. rograms will be at the n Business Incubator, l Plaza West. For reser-ll (330) 746-3350. m Vindicator staff reports

STOCKS

Local interest

	BID	ASKED
1	21.36	21.42
2	2.92	3.05
3	32.21	32.24
4	22.50	23.00
5	55.59	55.63
6	8.27	8.29
7	9.50	9.50
8	16.60	16.70
9	41.77	41.80
10	25.53	25.56
11	24.24	24.28
12	16.50	16.59
13	19.69	19.80
14	20.72	20.75
15	33.42	33.44
16	37.46	37.48
17	33.00	33.01
18	48.89	48.94
19	25.24	25.28

Ohio Central Railway remains on track to purchase Valley line

Port authority chief says the suitor is a good match.

By NANCY TULLIS
VINDICATOR SALEM BUREAU

EAST LIVERPOOL — Columbiana County Port Authority officials are awaiting a final decision from Ohio Central Railway on its purchase of the Central Columbiana & Pennsylvania Railroad Co.

The Coshocton-based railway is well-suited to take over the Central Columbiana & Pennsylvania Railroad Co., Tracy Drake, port authority executive director, said Tuesday.

"Ohio Central owns railroads all over the state and has the resources to handle the Central Columbiana," Drake said. "It can be profitable with the right TLC [tender loving care]."

Drake said Ohio Central is one of seven railroads that expressed serious interest in the Central Columbiana after Arkansas Shortline Co., the Russellville, Ark., company that runs the line, filed a bankruptcy declaration in June in federal court in Arkansas.

Imperiled money

The bankruptcy imperils nearly a half-million dollars of port authority money.

The Central Columbiana is a single-line railroad that stretches through Columbiana and Mahoning counties. The 37-mile-long railroad has struggled financially despite its being used by about 10 businesses that are served by nearly 5,000 rail cars annually.

The Central Columbiana, a subsidiary of Arkansas Shortline Co., operates the railroad for the port authority as part of a 20-year lease that requires the rail company to pay the port authority \$9,000 monthly and to help keep the line operational.

The Central Columbiana missed lease payments and borrowed \$450,000 from the port authority to subsidize the line's operation, Drake said. He said the port authority also provided cash to get the railroad line

AT A GLANCE

Ohio Central Railroad

Based in Coshocton, the Ohio Central Railroad System is a network of 10 railroads that operates nearly 500 miles of rail through east central and northeastern Ohio and the Pittsburgh area, with full-time freight service and steam-powered passenger excursions.

Northern lines: Mahoning Valley Railway Company (MVRV); Ohio and Pennsylvania Railroad Corporation (OHPA); Warren and Trumbull Railroad Company (WTRM); Youngstown and Austintown Railroad Inc. (YARR); The Youngstown Belt Railroad Company (YBRR)

Southern Lines: The Columbus and Ohio River Railroad Company (CUOH); Ohio Central Railroad Inc. (OHCR); Ohio Southern Railroad, Inc. (OSRR)

Pittsburgh Lines: The Pittsburgh and Ohio Central Railroad (POHC); Allquippa and Ohio River Railroad (AOR)

Source: Ohio Central Railway, www.ohiocentral.com

operating again after two derailments this past spring.

Restoration

He said the line, which was formerly the Youngstown & Southern Railroad, restarted about three years ago after being mothballed for years.

The railroad had deteriorated and needed a lot of work to become operational again. The port authority secured hundreds of thousands of dollars in grants to restore the line, but the Central Columbiana was expected to put up money, too, Drake said.

He said money spent subsidizing the railroad is money that could have financed other port authority projects, but the authority thought it was imperative to keep the line operating and to keep it safe.

tullis@vindy.com

KB Toys announces more store closings

STAFF/WRITER REPORT

PITTSFIELD, Mass. — KB Toys Inc., the toy store chain that sought Chapter 11 bankruptcy protection in January, said it intends to close at least 148 stores, including one in Southern Park Mall in Boardman.

The company has compiled a list of stores that are almost certain to

ready closed 427 stores over the past eight months and cut 3,400 jobs.

"These store closings represent a significant element of KB Toys plan of reorganization and will not hinder our holiday operations," Michael L. Glazer, president and CEO, said in a statement. "We remain confident that KB Toys will emerge from this

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William Rayen left money to
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wanted to attend. In 1866, f
black brick mason and cont
build the Rayen School, then
free public high schools in
Berry s 3 younger children w
the Rayen School.

How well would you learn in a
Are teachers well-paid today?
about the
history of your school? Vis
Museum or www.mahoningli
more about education in the M
the last two hundred years.



EXHIBIT A